

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended

Local Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Frenchtown Charter Township		County Monroe
Fiscal Year End December 31, 2006	Opinion Date May 2, 2007	Date Audit Report Submitted to State May 17, 2007		

We affirm that:


We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

	YES	NO	Check each applicable box below. (See instructions for further detail.)
1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit has adopted a budget for all required funds.
5	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A public hearing on the budget was held in accordance with State statute.
6	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit only holds deposits/investments that comply with statutory requirements.
9	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin).
10	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit is free of repeated comments from previous years.
12	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The audit opinion is UNQUALIFIED.
13	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The board or council approves all invoices prior to payment as required by charter or statute.
15	<input checked="" type="checkbox"/>	<input type="checkbox"/>	To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:		Enclosed	Not Required (enter a brief justification)	
Financial Statements		<input checked="" type="checkbox"/>		
The letter of comments and recommendations.		<input checked="" type="checkbox"/>		
Other (Describe)		<input type="checkbox"/>		
Certified Public Account (Firm Name) McGuire & McDole CPAs		Tele[phone Number 734-854-5044		
Street Address 6588 Secor Road		City Lambertville	State MI	Zip 48144
Authorizing CPA Signature 		Printed Name L. Donavon McGuire		License Number 1101008386



McGuire & McDole
Certified Public Accountants

L. Donavon McGuire, CPA
Mark McDole, CPA

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Fax 734-854-2540

May 2, 2007

Frenchtown Charter Township Board
Monroe, MI

Dear Board Members,

Our audit of the financial statements of Frenchtown Charter Township for the year ended December 31, 2006, was made in accordance with the generally accepted auditing standards which require that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion on the financial statements of the Township. The scope of our audit is not intended to be a detailed review of all systems and procedures; therefore, this report should not be considered all inclusive.

As a result of our audit, we offer the following comments.

Excess Expenditures – The Township had one general fund expenditure in excess of adjusted budget amount. All expenditures should be within the amount appropriated.

Retirees' Health Insurance Fund – The Township has established a fund to provide for retirees' health insurance. The fund provides for general, fire and building personnel through payments of estimated amounts to the fund. Government Accounting Standards Board Statement No. 45 requires full accrual of retiree health benefits commencing in 2009. The Township should have an actuarial study performed in order to determine the correct amount of current contributions and future liabilities.

We would like to take this opportunity to thank both the Board Officials and the employees who provided assistance to us during our audit. If you have any questions regarding any of the suggestions noted above or would like assistance in their implementation, please contact us.

Sincerely,

L. Donavon McGuire, CPA
McGuire & McDole
Certified Public Accountants

FRENCHTOWN CHARTER TOWNSHIP

Monroe County, Michigan

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FOR THE YEAR ENDED DECEMBER 31, 2006

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INDEPENDENT AUDITOR'S REPORT

Township Board
Frenchtown Charter Township
Monroe, MI 48162

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Frenchtown Charter Township, Michigan as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frenchtown Charter Township, Michigan as of December 31, 2006, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 and 26 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Frenchtown Charter Township's basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGuire & McDole

McGuire & McDole
Certified Public Accountants

May 2, 2007

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 7.2% from a year ago – increasing from \$ 63,754.8 thousand to \$68,339.5 thousand. As we look at the governmental activities separately from the business-type activities, we can see that the governmental activities experienced an increase, of approximately \$1,594.5 thousand during the year (7% increase). The business-type activities experienced a \$2,990.2 thousand increase in net assets. In a condensed format, the table below shows a comparison (in thousands of dollars) of the net assets as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
Current Assets	\$ 15,684.9	\$ 14,090.6	\$ 11,936.1	\$ 11,217.9	\$ 27,621.0	\$ 25,308.5
Noncurrent Assets	10,865.2	11,052.8	39,041.3	37,593.6	49,906.5	48,646.4
Total Assets	<u>26,550.1</u>	<u>25,143.4</u>	<u>50,977.4</u>	<u>48,811.5</u>	<u>77,527.5</u>	<u>73,954.9</u>
Long-Term Debt Outstanding	-	-	8,570.0	9,440.0	8,570.0	9,440.0
Other Liabilities	413.6	601.4	204.4	158.7	618.0	760.1
Total Liabilities	<u>413.6</u>	<u>601.4</u>	<u>8,774.4</u>	<u>9,598.7</u>	<u>9,188.0</u>	<u>10,200.1</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	10,865.2	11,052.8	30,471.3	28,153.6	41,336.5	39,206.4
Restricted	-	666.5	723.2	723.2	723.2	1,389.7
Unrestricted	<u>15,271.3</u>	<u>12,822.7</u>	<u>11,008.5</u>	<u>10,336.0</u>	<u>26,279.8</u>	<u>23,158.7</u>
Total Net Assets	<u>\$ 26,136.5</u>	<u>\$ 24,542.0</u>	<u>\$ 42,203.0</u>	<u>\$ 39,212.8</u>	<u>\$ 68,339.5</u>	<u>\$ 63,754.8</u>

Unrestricted net assets--the part of net assets that can be used to finance day to day operations, increased by \$2,448,600 for the governmental activities. This represents an increase of approximately 19%. The current level of unrestricted net assets for our governmental activities stands at \$15,271,300 or about 223% of expenditures.

Frenchtown Charter Township
Management's Discussion and Analysis
December 31, 2006

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
Program Revenues						
Charges for Services	\$ 583.7	\$ 591.5	\$ 2,677.8	\$ 2,740.1	\$ 3,261.5	\$ 3,331.6
Operating Grants and Contributions	211.3	130.9	583.6	597.0	794.9	727.9
Capital Grants and Contributions		-		-	-	-
General Revenues						
Property Taxes	5,115.7	5,088.1	2,361.7	2,346.9	7,477.4	7,435.0
State-Shared Revenues	1,548.6	1,547.3		-	1,548.6	1,547.3
Franchise Fees and Permits	156.4	143.2		-	156.4	143.2
Unrestricted Investment Earnings	547.2	368.6	367.7	243.6	914.9	612.2
Transfers and Other Revenue	286.7	(3,282.5)		3,500.0	286.7	217.5
	<u>8,449.6</u>	<u>4,587.1</u>	<u>5,990.8</u>	<u>9,427.6</u>	<u>14,440.4</u>	<u>14,014.7</u>
Program Expenses						
General Government	1,630.5	1,618.7	-	-	1,630.5	1,618.7
Public Safety	3,259.8	3,130.0	-	-	3,259.8	3,130.0
Public Works	1,653.0	1,985.6	-	-	1,653.0	1,985.6
Recreation and Culture	311.8	256.4	-	-	311.8	256.4
Interest on Long-Term Debt	-	-	-	-	-	-
Water and Sewer	-	-	3,000.6	2,745.5	3,000.6	2,745.5
Total Expenses	<u>6,855.1</u>	<u>6,990.7</u>	<u>3,000.6</u>	<u>2,745.5</u>	<u>9,855.7</u>	<u>9,736.2</u>
Change in Net Assets	<u>\$ 1,594.5</u>	<u>\$ (2,403.6)</u>	<u>\$ 2,990.2</u>	<u>\$ 6,682.1</u>	<u>\$ 4,584.7</u>	<u>\$ 4,278.5</u>

The Township's net assets continue to remain healthy. The total revenues increased due to interest earnings while expenses decreased by 1%. As a result, net assets grew by \$4,854,700, compared to a prior year increase of \$4,278,500.

Governmental Activities

The Township's total governmental revenues increased by approximately \$3,862,500, primarily due to the decrease in transfers.

Expenses decreased by \$135,600 during the year. This was primarily the result of decreased public works expenses.

Business-Type Activities

The Township's business-type activities consist of a Water and a Sewer Fund. Water is produced through our own treatment facility. Sewage treatment is provided to residents by the City of Monroe.

The Township's Funds

Our analysis of the Township's major funds begins on page 7, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2006 include the General Fund, the Fire Fund, and the Revolving Fund.

The General Fund pays for most of the Township's governmental services. Fire protection is provided by the Fire Fund which receives revenues from a Township tax levy.

General Fund Budgetary Highlights

During the fiscal period 2006, the Township Board amended the budget to reflect changes which took place during the year. There were no changes in the overall budget.

The expenditure budget reflects a balanced budget. All departments except one were within budget allocation.

Capital Asset and Debt Administration

Capital Assets - At December 31, 2006, the Township had \$49,906,475 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within the Township.

Long-term Debt - At the end of the current fiscal year Frenchtown Charter Township had total bonded debt of \$8,570,000 consisting of county contracts. Debt decreased by \$870,000 during the year.

Economic Factors and Next Year's Budgets and Rates

The General Fund 2007 expenditures are expected to be down by only 1% from 2006. Tax rates and taxable values will remain approximately the same. The taxable value of the largest taxpayer will decrease approximately 5%, but with commercial growth in the township, the overall taxable value will be stable. The LETC busing millage of .4781 will not be in the operating budget in 2007. The Township will continue to monitor State Shared Revenue for possible decreases.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

FRENCHTOWN CHARTER TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business - Type Activities</i>	<i>Total</i>	<i>Resort District Authority</i>
Assets				
Cash and Cash Equivalents	\$ 9,953,578	\$ 6,847,117	\$ 16,800,695	\$ 5,353,732
Receivables (Net of Allowance for Uncollectibles):				
Accounts	53,768	289,993	343,761	21,195
Taxes	5,104,424	2,368,805	7,473,229	1,733,580
Assessments	-	1,643,623	1,643,623	-
Due From State of Michigan	521,275	-	521,275	-
Due From Others	-	134,310	134,310	-
Internal Balances	51,829	(51,829)	-	-
Deferred Charges, Net of Amortization	-	327,709	327,709	-
Restricted Cash With Fiscal Agent	-	376,428	376,428	-
	<u>15,684,874</u>	<u>11,936,156</u>	<u>27,621,030</u>	<u>7,108,507</u>
Capital Assets:				
Land	1,313,326	115,800	1,429,126	6,716
Buildings and System	7,577,065	35,704,597	43,281,662	-
Improvements Other than Buildings	582,802	-	582,802	108,521
Machinery and Equipment	3,758,562	3,273,136	7,031,698	32,624
Infrastructure	2,563,170	-	2,563,170	1,455,322
Construction in Progress	-	8,837,904	8,837,904	-
Less Accumulated Depreciation	(4,929,720)	(8,890,167)	(13,819,887)	(139,518)
Total Capital Assets (Net of Accumulated Depreciation)	<u>10,865,205</u>	<u>39,041,270</u>	<u>49,906,475</u>	<u>1,463,665</u>
Total Assets	<u>26,550,079</u>	<u>50,977,426</u>	<u>77,527,505</u>	<u>8,572,172</u>
Liabilities				
Accounts Payable	248,576	30,841	279,417	82,864
Accrued Liabilities	164,999	-	164,999	-
Due to Others	-	69,758	69,758	-
Accrued Interest Payable	-	103,791	103,791	-
Noncurrent Liabilities:				
Due Within One Year	-	915,000	915,000	-
Due in More Than One Year	-	7,655,000	7,655,000	-
Total Liabilities	<u>413,575</u>	<u>8,774,390</u>	<u>9,187,965</u>	<u>82,864</u>
Net Assets				
Invested in Capital Assets Net of Related Debt	10,865,205	30,471,270	41,336,475	1,463,665
Restricted for:				
Improvements	-	723,246	723,246	-
Unrestricted	15,271,299	11,008,520	26,279,819	7,025,643
Total Net Assets	<u>\$ 26,136,504</u>	<u>\$ 42,203,036</u>	<u>\$ 68,339,540</u>	<u>\$ 8,489,308</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Resort District Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities:								
General Government	\$ 1,630,465	\$ -	\$ -	\$ -	\$ (1,630,465)	\$ -	\$ (1,630,465)	\$ -
Public Safety	3,259,787	583,744	-	-	(2,676,043)	-	(2,676,043)	-
Public Works	1,653,083	-	211,275	-	(1,441,808)	-	(1,441,808)	-
Culture and Recreation	311,771	-	-	-	(311,771)	-	(311,771)	-
Interest on Long-Term Debt	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>6,855,106</u>	<u>583,744</u>	<u>211,275</u>	<u>-</u>	<u>(6,060,087)</u>	<u>-</u>	<u>(6,060,087)</u>	<u>-</u>
Business-Type Activities:								
Sewer	2,862,949	2,230,820	559,595	-	-	(72,534)	(72,534)	-
Water	137,694	446,947	24,000	-	-	333,253	333,253	-
Total Business-Type Activities	<u>3,000,643</u>	<u>2,677,767</u>	<u>583,595</u>	<u>-</u>		<u>260,719</u>	<u>260,719</u>	<u>-</u>
Total Primary Government	<u>\$ 9,855,749</u>	<u>\$ 3,261,511</u>	<u>\$ 794,870</u>	<u>\$ -</u>	<u>(6,060,087)</u>	<u>260,719</u>	<u>(5,799,368)</u>	<u>-</u>
Component Unit								
Resort District Authority	<u>\$ 745,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>745,531</u>
General Revenues:								
Property Taxes					5,115,665	2,361,767	7,477,432	1,730,404
State Shared Revenues					1,548,621	-	1,548,621	-
Franchise Fees and Permits					156,400	-	156,400	-
Unrestricted Investment Earnings					547,207	367,718	914,925	267,428
Miscellaneous					286,703	-	286,703	-
Transfers					-	-	-	-
Total General Revenues and Transfers					<u>7,654,596</u>	<u>2,729,485</u>	<u>10,384,081</u>	<u>1,997,832</u>
Change in Net Assets					1,594,509	2,990,204	4,584,713	1,252,301
Net Assets - Beginning					<u>24,541,995</u>	<u>39,212,832</u>	<u>63,754,827</u>	<u>7,237,007</u>
Net Assets - Ending				-6-	<u>\$ 26,136,504</u>	<u>\$ 42,203,036</u>	<u>\$ 68,339,540</u>	<u>\$ 8,489,308</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006**

	<i>General</i>	<i>Fire</i>	<i>Revolving</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets					
Cash and Cash Equivalents	\$ 4,863,681	\$ 1,475,520	\$ 3,014,393	\$ 599,984	\$ 9,953,578
Accounts Receivable	26,971	-	-	26,797	53,768
Taxes and Assessments Receivable	2,735,619	2,368,805	-	-	5,104,424
Due From Other Funds	566,966	-	-	-	566,966
Due From State of Michigan	521,275	-	-	-	521,275
Total Assets	\$ 8,714,512	\$ 3,844,325	\$ 3,014,393	\$ 626,781	\$ 16,200,011
Liabilities					
Accounts Payable	\$ 211,139	\$ 7,723	\$ -	\$ 29,714	248,576
Accrued Liabilities	10,523	24,014	-	2,814	37,351
Due to Other Funds	75,018	406,119	-	34,000	515,137
Deferred Revenue	2,735,619	2,368,805	-	-	5,104,424
Total Liabilities	3,032,299	2,806,661	-	66,528	5,905,488
Fund Equity					
Fund Balance :					
Unreserved Reported In					
General Fund	5,682,213	-	-	-	5,682,213
Special Revenue Funds	-	1,037,664	3,014,393	560,253	4,612,310
Total Fund Equity	5,682,213	1,037,664	3,014,393	560,253	10,294,523
Total Liabilities and Equity	\$ 8,714,512	\$ 3,844,325	\$ 3,014,393	\$ 626,781	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

10,865,205

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

5,104,424

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(127,648)

Net Assets of Governmental Activities

\$ 26,136,504

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<i>General</i>	<i>Fire</i>	<i>Revolving</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues:					
Taxes	\$ 2,736,173	\$ 2,358,099	\$ -	\$ -	\$ 5,094,272
Licenses and Permits	156,400	-	-	583,744	740,144
State Grants	1,548,621	-	-	-	1,548,621
Federal Grants	-	-	-	-	-
Assessments	-	-	-	211,275	211,275
Fines and Forfeits	23,092	-	-	-	23,092
Interest	316,460	94,541	113,953	22,253	547,207
Other Revenues	234,801	35,625	-	878	271,304
Total Revenues	<u>5,015,547</u>	<u>2,488,265</u>	<u>113,953</u>	<u>818,150</u>	<u>8,435,915</u>
Expenditures:					
Current:					
General Government	1,679,129	-	-	-	1,679,129
Public Safety	366,183	2,184,348	-	488,613	3,039,144
Public Works	1,326,014	-	-	198,910	1,524,924
Recreational and Cultural	407,480	-	-	-	407,480
Total Expenditures	<u>3,778,806</u>	<u>2,184,348</u>	<u>-</u>	<u>687,523</u>	<u>6,650,677</u>
Excess of Revenue Over (Under) Expenditures	<u>1,236,741</u>	<u>303,917</u>	<u>113,953</u>	<u>130,627</u>	<u>1,785,238</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	<u>1,236,741</u>	<u>303,917</u>	<u>113,953</u>	<u>130,627</u>	<u>1,785,238</u>
Fund Balance - Beginning	<u>4,445,472</u>	<u>733,747</u>	<u>2,900,440</u>	<u>429,626</u>	
Fund Balance - Ending	<u>\$ 5,682,213</u>	<u>\$ 1,037,664</u>	<u>\$ 3,014,393</u>	<u>\$ 560,253</u>	

Amounts reported for governmental activities in the statement of activities are different because:

-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(179,906)
-Deferred tax revenues in the funds that do not provide current financial resources are reported as revenues in the statement of activities	21,393
-Increases in accumulated employee vacation pay and similar expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(24,523)
-The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations is to decrease net assets	<u>(7,693)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 1,594,509</u></u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
PROPRIETARY FUNDS STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	Water System Current Year	Water System Prior Year	Sewer System Current Year	Sewer System Prior Year	Totals
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 3,417,887	\$ 3,042,621	\$ 3,429,230	\$ 2,987,792	\$ 6,847,117
Accounts Receivable	289,993	290,435	-	-	289,993
Assessments Receivable	1,595,327	1,498,910	48,296	37,236	1,643,623
Taxes Receivable	2,368,805	2,265,856	-	-	2,368,805
Due From Other Funds	79,525	79,525	-	2,813	79,525
Due From City	542	1,075	133,768	-	134,310
Total Current Assets:	<u>7,752,079</u>	<u>7,178,422</u>	<u>3,611,294</u>	<u>3,027,841</u>	<u>11,363,373</u>
Noncurrent Assets:					
Cash With Fiscal Agent	376,428	750,357	-	-	376,428
Deferred Charges, Net of Amortization	327,709	389,155	-	-	327,709
Total Noncurrent Assets	<u>704,137</u>	<u>1,139,512</u>	<u>-</u>	<u>-</u>	<u>704,137</u>
Property, Plant, and Equipment:					
Construction in Progress	8,837,904	7,011,231	-	1,269,975	8,837,904
Land	115,800	115,800	-	-	115,800
Water & Sewer Lines	22,257,654	21,827,404	3,956,637	2,679,337	26,214,291
Water Plant	9,077,729	9,077,729	-	-	9,077,729
Taps	412,577	380,667	-	-	412,577
Equipment	3,273,136	3,155,723	-	-	3,273,136
Less: Accumulated Depreciation	<u>(7,843,059)</u>	<u>(7,009,010)</u>	<u>(1,047,108)</u>	<u>(915,220)</u>	<u>(8,890,167)</u>
Net Property, Plant, And Equipment	<u>36,131,741</u>	<u>34,559,544</u>	<u>2,909,529</u>	<u>3,034,092</u>	<u>39,041,270</u>
Total Assets:	<u>44,587,957</u>	<u>42,877,478</u>	<u>6,520,823</u>	<u>6,061,933</u>	<u>51,108,780</u>
Liabilities					
Current Liabilities:					
Accounts Payable	30,721	13,742	120	-	30,841
Due to Other Funds	126,847	120,585	4,507	7,320	131,354
Due to City	55,248	44,981	-	-	55,248
Accrued Interest	103,791	95,927	-	-	103,791
Bonds Payable	915,000	870,000	-	-	915,000
Due to Others	14,510	4,024	-	-	14,510
Total Current Liabilities	<u>1,246,117</u>	<u>1,149,259</u>	<u>4,627</u>	<u>7,320</u>	<u>1,250,744</u>
Noncurrent Liabilities:					
Bonds Payable	<u>7,655,000</u>	<u>8,570,000</u>	<u>-</u>	<u>-</u>	<u>7,655,000</u>
Total Liabilities	<u>8,901,117</u>	<u>9,719,259</u>	<u>4,627</u>	<u>7,320</u>	<u>8,905,744</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	27,561,741	25,119,544	2,909,529	3,034,092	30,471,270
Restricted For Improvements	723,246	723,246	-	-	723,246
Unrestricted	<u>7,401,853</u>	<u>7,315,429</u>	<u>3,606,667</u>	<u>3,020,521</u>	<u>11,008,520</u>
Total Net Assets	<u>\$ 35,686,840</u>	<u>\$ 33,158,219</u>	<u>\$ 6,516,196</u>	<u>\$ 6,054,613</u>	<u>\$ 42,203,036</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Water System Current Year</i>	<i>Water System Prior Year</i>	<i>Sewer System Current Year</i>	<i>Sewer System Prior Year</i>	<i>Totals</i>
Operating Revenue:					
Use Charges	\$ 1,336,646	\$ 1,404,663	\$ -	\$ -	\$ 1,336,646
Charges for Services	826,986	730,504	428,447	471,625	1,255,433
Other	67,188	110,323	18,500	23,000	85,688
Total Operating Revenue	2,230,820	2,245,490	446,947	494,625	2,677,767
Operating Expenses:					
Wages and Fringes	812,531	673,595	-	-	812,531
Depreciation	834,049	812,107	131,888	89,311	965,937
Insurance	91,606	70,076	-	-	91,606
Pump Station	84,661	35,603	-	-	84,661
Plant Operation	-	438	-	-	-
Repairs and Maintenance	153,217	154,917	-	-	153,217
Raw Water Costs	167,631	146,783	-	-	167,631
Professional Services	7,147	12,752	5,687	12,870	12,834
Supplies	99,936	86,437	-	-	99,936
Other	111,257	87,132	119	11,482	111,376
Total Operating Expenses	2,362,035	2,079,840	137,694	113,663	2,499,729
Operating Income (Loss):	(131,215)	165,650	309,253	380,962	178,038
Non-Operating Revenue:					
Interest Income	239,388	172,327	128,330	71,292	367,718
Property Taxes	2,361,767	2,346,948	-	-	2,361,767
Assessments	559,595	586,090	24,000	10,862	583,595
Transfer In	-	3,500,000	-	-	-
Total Non-Operating Revenue	3,160,750	6,605,365	152,330	82,154	3,313,080
Non-Operating Expenses:					
Interest Expense	(439,468)	(490,590)	-	-	(439,468)
Amortization Expense	(61,446)	(61,446)	-	-	(61,446)
Total Non-Operating Expenses	(500,914)	(552,036)	-	-	(500,914)
Change in Net Assets	2,528,621	6,218,979	461,583	463,116	2,990,204
Net Assets - Beginning	33,158,219	26,939,240	6,054,613	5,591,497	39,212,832
Net Assets - Ending	\$ 35,686,840	\$ 33,158,219	\$ 6,516,196	\$ 6,054,613	\$ 42,203,036

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Water System Current Year</i>	<i>Water System Prior Year</i>	<i>Sewer System Current Year</i>	<i>Sewer System Prior Year</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers and Users	\$ 2,061,046	\$ 2,215,788	\$ 302,119	\$ 525,335	\$ 2,363,165
Payments to Suppliers	(698,476)	(697,477)	(5,686)	(34,072)	(704,162)
Payments to Employees	(812,531)	(673,595)	-	-	(812,531)
Interfund (Payments) Receipts	6,262	126,854	-	(58,804)	6,262
Net Cash Provided by Operating Activities	<u>556,301</u>	<u>971,570</u>	<u>296,433</u>	<u>432,459</u>	<u>852,734</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Investments	239,388	172,327	128,330	71,292	367,718
Increase in Property, Plant, and Equipment	<u>(2,406,246)</u>	<u>(6,519,151)</u>	<u>(7,325)</u>	<u>(476,920)</u>	<u>(2,413,571)</u>
Net Cash (Used) Provided in Investing Activities	<u>(2,166,858)</u>	<u>(6,346,824)</u>	<u>121,005</u>	<u>(405,628)</u>	<u>(2,045,853)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Debt	-	-	-	-	-
Transfers In/Out	-	3,500,000	-	-	-
Assessment Revenue	559,595	586,090	24,000	10,862	583,595
Property Taxes	2,361,767	2,346,948	-	-	2,361,767
Interest Paid	(439,468)	(490,590)	-	-	(439,468)
Bonds Paid	<u>(870,000)</u>	<u>(780,000)</u>	<u>-</u>	<u>-</u>	<u>(870,000)</u>
Net Cash (Used) Provided For Capital and Related Financing Activities	<u>1,611,894</u>	<u>5,162,448</u>	<u>24,000</u>	<u>10,862</u>	<u>1,635,894</u>
Net Increase (Decrease) In Cash and Cash Equivalents	1,337	(212,806)	441,438	37,693	442,775
Cash and Cash Equivalents - Beginning	<u>3,792,978</u>	<u>4,005,784</u>	<u>2,987,792</u>	<u>2,950,099</u>	<u>6,780,770</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 3,794,315</u></u>	<u><u>\$ 3,792,978</u></u>	<u><u>\$ 3,429,230</u></u>	<u><u>\$ 2,987,792</u></u>	<u><u>\$ 7,223,545</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (131,215)	\$ 165,650	\$ 309,253	\$ 380,962	\$ 178,038
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	834,049	812,107	131,888	89,311	965,937
Changes In Current Assets & Liabilities:					
Accounts Payable	16,979	(103,339)	120	(9,720)	17,099
Accounts Receivable	442	(29,330)			442
Assessments Receivable	(96,417)	47,235	(11,060)	30,710	(107,477)
Taxes Receivable	(102,949)	(35,697)			(102,949)
Accrued Interest	7,864	6,645			7,864
Due to Others	20,753	9,260			20,753
Due from Other Funds	-	(14,020)	2,813	(55,991)	2,813
Due from Others	533	225	(133,768)	-	(133,235)
Due to Other Funds	6,262	112,834	(2,813)	(2,813)	3,449
Total Adjustments	<u>687,516</u>	<u>805,920</u>	<u>(12,820)</u>	<u>51,497</u>	<u>674,696</u>
Net Cash (Used) Provided By Operating Activities	<u><u>\$ 556,301</u></u>	<u><u>\$ 971,570</u></u>	<u><u>\$ 296,433</u></u>	<u><u>\$ 432,459</u></u>	<u><u>\$ 852,734</u></u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
FIDUCIARY FUNDS -- STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	<i>Pension Trust Fund</i>	<i>Retirees Health Insurance Fund</i>	<i>Agency Fund Type (Property Tax Collection Fund)</i>
Assets			
Cash and Cash Equivalents	\$ -	\$ 324,456	\$ 3,928,121
Investments at Fair Value:			
Mutual Funds	3,377,074	-	-
Taxes Receivable	-	-	35,979,397
Total Assets	3,377,074	324,456	<u>\$ 39,907,518</u>
Liabilities			
Due to County	-	-	7,456,013
Due to State	-	-	7,191,439
Due to Schools	-	-	22,741,301
Due to Others	-	-	2,518,765
Total Liabilities	-	-	<u>\$ 39,907,518</u>
Net Assets			
Held in Trust for Benefits	<u>\$ 3,377,074</u>	<u>\$ 324,456</u>	

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
FIDUCIARY FUNDS STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Pension Trust Fund</i>	<i>Retirees Health Insurance Fund</i>
Additions:		
Contributions		
Employer	\$ 246,236	\$ 235,000
Plan Members	<u>5,848</u>	<u>-</u>
Total Contributions	252,084	235,000
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	<u>332,135</u>	<u>9,302</u>
Total Additions	<u>584,219</u>	<u>244,302</u>
Deductions:		
Benefits Paid	2,238	119,656
Administrative Fees	<u>18,949</u>	<u>-</u>
Total Deductions	<u>21,187</u>	<u>119,656</u>
Net Change	563,032	124,646
Net Assets - Beginning	<u>2,814,042</u>	<u>199,810</u>
Net Assets - Ending	<u><u>\$ 3,377,074</u></u>	<u><u>\$ 324,456</u></u>

See Accompanying Notes to the Financial Statements.

- NOTE 1 - Summary of Significant Accounting Policies*
- NOTE 2 - Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - Stewardship, Compliance and Accountability*
- NOTE 4 - Deposits and Investments*
- NOTE 5 - Receivables*
- NOTE 6 - Capital Assets*
- NOTE 7 - Interfund Receivables, Payables and Transfers*
- NOTE 8 - Leases*
- NOTE 9 - Long-term Debt*
- NOTE 10 - Restricted Assets*
- NOTE 11 - Risk Management*
- NOTE 12 - Other Post-Employment Benefits*
- NOTE 13 - Employee Retirement Plan*
- NOTE 14 - Pending Litigation*
- NOTE 15 - Deferred Compensation Plan*
- NOTE 16 - Economic Dependence*

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Frenchtown Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Frenchtown Charter Township:

A - Reporting Entity

Frenchtown Charter Township is a municipal corporation governed by an elected seven member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units

The Frenchtown Charter Township Resort District Authority is a special district of Frenchtown Charter Township. For financial reporting purposes they are a discretely presented component unit of Frenchtown Charter Township, and the Frenchtown Charter Township Resort District Authority issues its own separate financial statements. Copies of these financial statements can be obtained at:

Administrative Office:
2979 Nadeau Road
Monroe, MI 48161

Establishment of the Frenchtown Charter Township Resort District Authority -- Act 59 of the Public Acts of Michigan - 1986, authorized the establishment of a resort authority by a township. The purpose is to prevent deterioration, encourage historic preservation, and promote rehabilitation within the resort district. As organized, the Frenchtown Charter Township Resort District Authority performs the following functions:

1. Manages drainage and road improvement and construction that is bonded.
2. Oversees debt retirement of bonded debt that was used to finance the construction project and improvements.
3. Provides certain services including street lighting and garbage collection.
4. Performs other services as needed to fulfill its duties.

B - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered available only when cash is received by the government.

Frenchtown Charter Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Frenchtown Charter Township as of the preceding December 31st. Although the Frenchtown Charter Township 2005 ad valorem tax is levied and collectible on December 1, 2006, it is the Frenchtown Charter Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). The 2006 taxable valuation of the Frenchtown Charter Township totaled \$1,153.8 million, on which ad valorem taxes levied consisted of 2.3100 mills for the Frenchtown Charter Township operating purposes, 2.000 mills for water debt, 2.000 mills for fire protection, and .4781 for bus transportation. The taxes generated are recognized in the respective General, Special Revenue and Enterprise Fund financial statements as taxes receivable - current or as tax revenue.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for specific revenues and fire protection expenses.

The Revolving Fund accounts for specific revenues and improvements.

The government reports the following major proprietary funds:

The Water Fund accounts for the activities of the water treatment system.

The Sewer Fund accounts for tap and assessment revenues, sewer system construction and related debt service.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund types:

The pension trust fund accounts for the activities of the township employees retirement system which accumulates resources for pension benefit payments to qualified employees.

The retirees health insurance trust fund provides health insurance for retired employees.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes tap fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets--The bonds of the enterprise funds require amounts to be set aside for construction, debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of Frenchtown Charter Township's water and sewer lines.

Capital Assets--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	20 to 50 years
Improvements Other than Buildings	20 years
Machinery and Equipment	5 to 20 years
Water and Sewer Lines	30 to 50 years
Infrastructure	20 years

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick leave pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications--Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$127,648 are as follows:

Compensated absences	\$ <u>(127,648)</u>
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B Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$179,906 are as follows:

Capital outlay	\$ 337,185
Depreciation	<u>(517,091)</u>
	<u><u>\$ (179,906)</u></u>

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information --Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds. All annual appropriations lapse at fiscal year end. On or before the 1st day of September the Supervisor shall prepare and submit to the Township Board a recommended budget within the tax limit and other revenue sources of the Township covering the next fiscal year. A public hearing on the budget shall be held before its final adoption. On or before the end of the fiscal year, the Township Board shall adopt a budget for the ensuing fiscal year. The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. (i.e., The level at which expenditures may not legally exceed appropriations). The Supervisor is authorized to transfer budgeted amounts between line-items within an activity category; however, any revisions that alter the total expenditures of any activity must be approved by the Township Board.

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds-- During the year, Frenchtown Charter Township incurred the following expenditures which were in excess of the amounts appropriated.

<u>Budget Item</u>	<u>Actual Expenditure</u>	<u>Budget Appropriation</u>
General Fund--Recreation	\$ 359,677	\$ 357,500

Fund Deficits-- Frenchtown Charter Township has no accumulated fund balance/retained earning deficits.

NOTE 4--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated three banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	\$ 9,953,578	\$ 6,847,117	\$ 324,456	\$ 17,125,151	\$ 17,980,628
Restricted Cash	-	376,428	-	376,428	376,428
Total	<u>\$ 9,953,578</u>	<u>\$ 7,223,545</u>	<u>\$ 324,456</u>	<u>\$ 17,501,579</u>	<u>\$ 18,357,056</u>
				Federal Depository Insurance Coverage	<u>\$ 300,000</u>

<u>Component Units</u>	<u>Resort District Authority</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	<u>\$ 5,353,732</u>	<u>\$ 5,354,274</u>
	Federal Depository Insurance Coverage	<u>\$ 200,000</u>

NOTE 4--DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township evaluates each financial institution and assesses the risk level of each one, those with adequate risk levels are used for deposits. The Township has policy for this risk.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not recover the value of its investments or collateral securities that are in the custody of an outside party. The Township has only investments in mutual funds in the amount of \$1,424,605 which are uninsured, unregistered and held by counterparties for the particular securities. The Township has no policy for this risk.

Interest Rate Risk

Interest rate risk is the risk that the value on investments will decrease as a result of a rise in interest rates. The Township has no policy for this risk. The Township has no policy with respect to investment maturities.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by a nationally recognized statistical rating organizations. The Township follows the state guidelines and has no investments in this category. The Township has no policy for this risk.

NOTE 5--RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts	\$ 26,971	\$ -	\$ 289,993	\$ -	\$ 26,797	\$ 343,761
Special Assessments	-	-	1,595,327	48,926	-	1,644,253
Taxes	<u>2,735,619</u>	<u>2,368,805</u>	<u>2,368,805</u>	<u>-</u>	<u>-</u>	<u>7,473,229</u>
Gross Receivables	2,762,590	2,368,805	4,254,125	48,926	26,797	9,461,243
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	<u>\$ 2,762,590</u>	<u>\$ 2,368,805</u>	<u>\$ 4,254,125</u>	<u>\$ 48,926</u>	<u>\$ 26,797</u>	<u>\$ 9,461,243</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>
Taxes	<u>\$ 5,104,424</u>

NOTE 6--CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Primary Government

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 1,153,326	\$ 160,000	\$ -	\$ 1,313,326
Construction in Progress	785,688	-	(785,688)	-
	<u>1,939,014</u>	<u>160,000</u>	<u>(785,688)</u>	<u>1,313,326</u>
Capital Assets Being Depreciated :				
Buildings	6,692,536	884,529	-	7,577,065
Improvements Other Than Buildings	549,635	33,167	-	582,802
Infrastructure	2,563,170	-	-	2,563,170
Machinery and Equipment	3,723,885	45,177	(10,500)	3,758,562
Subtotal	<u>13,529,226</u>	<u>962,873</u>	<u>(10,500)</u>	<u>14,481,599</u>
Less Accumulated Depreciation for :				
Buildings	1,948,402	150,561	-	2,098,963
Improvements Other Than Buildings	418,517	23,882	-	442,399
Infrastructure	216,504	128,159	-	344,663
Machinery and Equipment	1,832,013	214,489	(2,807)	2,043,695
Subtotal	<u>4,415,436</u>	<u>517,091</u>	<u>(2,807)</u>	<u>4,929,720</u>
Net Capital Assets Being Depreciated	<u>9,113,790</u>	<u>445,782</u>	<u>(7,693)</u>	<u>9,551,879</u>
Governmental Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 11,052,804</u>	<u>\$ 605,782</u>	<u>\$ (793,381)</u>	<u>\$ 10,865,205</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 115,800	\$ -	\$ -	\$ 115,800
Construction in Progress	8,281,206	556,698	-	8,837,904
	<u>8,397,006</u>	<u>556,698</u>	<u>-</u>	<u>8,953,704</u>
Capital Assets Being Depreciated :				
Buildings and System	33,965,137	1,739,460	-	35,704,597
Machinery and Equipment	3,155,723	117,413	-	3,273,136
	<u>37,120,860</u>	<u>1,856,873</u>	<u>-</u>	<u>38,977,733</u>
Less Accumulated Depreciation for :				
Buildings and System	6,675,580	779,208	-	7,454,788
Machinery and Equipment	1,248,650	186,729	-	1,435,379
	<u>7,924,230</u>	<u>965,937</u>	<u>-</u>	<u>8,890,167</u>
Net Capital Assets Being Depreciated	<u>29,196,630</u>	<u>890,936</u>	<u>-</u>	<u>30,087,566</u>
Business-Type Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 37,593,636</u>	<u>\$ 1,447,634</u>	<u>\$ -</u>	<u>\$ 39,041,270</u>

Depreciation expense was charged to programs of the primary government as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 111,372	Sewer	\$ 131,888
Public Safety	213,269	Water	834,049
Public Works	128,159	Total Business-Type	
Recreation and Culture	64,291	Activities	<u>\$ 965,937</u>
Total Governmental Activities	<u>\$ 517,091</u>		

NOTE 6--CAPITAL ASSETS (Continued)

Construction Commitments

The Township has no construction contract commitments at December 31, 2006.

Discretely Presented Component Units

Capital asset activity of the Resort District Authority for the current year was as follows:

	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending Balance</i>
Capital Assets Not Being Depreciated :				
Land	\$ 6,716	\$ -	\$ -	\$ 6,716
Construction in Progress	-	-	-	-
	<u>6,716</u>	<u>-</u>	<u>-</u>	<u>6,716</u>
Capital Assets Being Depreciated :				
Machinery and Equipment	12,540	20,084	-	32,624
Improvements - Other	108,521	-	-	108,521
Infrastructure	1,455,322	-	-	1,455,322
	<u>1,576,383</u>	<u>20,084</u>	<u>-</u>	<u>1,596,467</u>
Less Accumulated Depreciation for :				
Machinery and Equipment	10,882	7,354		18,236
Improvements - Other	5,426	5,426		10,852
Infrastructure	66,991	43,439		110,430
	<u>83,299</u>	<u>56,219</u>	<u>-</u>	<u>139,518</u>
Net Capital Assets Being Depreciated	<u>1,493,084</u>	<u>(36,135)</u>	<u>-</u>	<u>1,456,949</u>
Resort District Authority - Total Capital Assets - Net of Depreciation	<u>\$ 1,499,800</u>	<u>\$ (36,135)</u>	<u>\$ -</u>	<u>\$ 1,463,665</u>

NOTE 7--INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Fire Fund	\$ 406,119
	Water	126,848
	Sewer	1,694
	Non-Major Funds	34,000
Water	General	77,831
Total		<u>\$ 646,492</u>

Interfund Transfers

The Township had no interfund transfers for the year.

NOTE 8--LEASES

Frenchtown Charter Township had no lease obligations at December 31, 2006.

NOTE 9--LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	<u>Interest Rate</u>	<u>Principal Matures</u>	<u>Beginning Balance</u>	<u>Additions (Reductions)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Business-Type Activities</i>						
County Contractual Obligations						
Water Plant	3.125-5.25%	2012	\$ 6,235,000	\$ (810,000)	\$ 5,425,000	\$ 855,000
Water System	5.20%	2029	3,205,000	(60,000)	3,145,000	60,000
Total Business-Type Activities			<u>\$ 9,440,000</u>	<u>\$ (870,000)</u>	<u>\$ 8,570,000</u>	<u>\$ 915,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year Ending December 31,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2007	\$ 915,000	\$ 410,353
2008	970,000	361,792
2009	990,000	310,971
2010	990,000	258,979
2011	1,000,000	206,213
2012 and after	<u>3,705,000</u>	<u>1,461,139</u>
Total	<u>\$ 8,570,000</u>	<u>\$ 3,009,447</u>

NOTE 10--RESTRICTED ASSETS

The balances of the restricted asset (cash with fiscal agent) accounts in the proprietary funds are as follows:

Construction	<u>\$ 376,428</u>
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NOTE 11--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE 12--OTHER POST-EMPLOYMENT BENEFITS

The Township has post-employment health and dental benefits provided to retired board members and employees. This plan as established by the Township Board as an ordinance.

The Township funds these benefits through a Retirees Health Insurance Fund. The total cost of these benefits for the year ended December 31, 2006, was approximately \$119,656 for participants who qualified for and received benefits for the year.

NOTE 13--EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Township provides pension benefits for all of its permanent employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For employees hired after 2000, the Township contributes a maximum of 10% of base wages for each employee, as follows: no contribution the first year, 2% the second year, with an additional 2% for years 3-6 until the employee reaches the maximum of 10%. Employees may voluntarily contribute up to a maximum of 10% of wages. An employee is fully vested after five years of service. An insurance company administers the Plan.

For employees hired prior to 2001, the Township contributes 15% of base wages for each employee. Employees may voluntarily contribute up to a maximum of 10% of wages. An employee is fully vested after three years of service. An insurance company administers the Plan.

The Township's total payroll for the year ended December 31, 2006 was \$2,638,099. The Township made the required contributions of \$246,236 on covered payroll.

Note 14 -- PENDING LITIGATION

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

NOTE 15--DEFERRED COMPENSATION PLAN

The Frenchtown Charter Township Board offers all Frenchtown Charter Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Frenchtown Charter Township's financial statements.

Note 16 -- ECONOMIC DEPENDENCE

The Township receives 39% of its tax revenue from one taxpayer.

Required Supplementary Information

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget -</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	\$ 1,242,514	\$ 1,242,514	\$ 4,445,472	\$ 3,202,958
Resources (Inflows)				
Taxes and Penalties	2,458,175	2,458,175	2,736,173	277,998
Licenses and Permits	20,000	20,000	156,400	136,400
State Grants	1,250,000	1,250,000	1,548,621	298,621
Interest	75,000	75,000	316,460	241,460
Fines and Forfeitures	10,000	10,000	23,092	13,092
Other Revenue:	213,000	213,000	234,801	21,801
Transfers from Other Funds	-	-	-	-
Total Resources (Inflows)	4,026,175	4,026,175	5,015,547	989,372
Amounts Available for Appropriation	5,268,689	5,268,689	9,461,019	4,192,330
Charges to Appropriations (Outflows)				
General Government :				
Township Board	53,000	53,000	42,010	10,990
Supervisor	91,324	91,324	83,337	7,987
Elections	78,700	78,700	45,647	33,053
Clerk	140,340	140,340	129,101	11,239
Treasurer	113,700	113,700	103,663	10,037
Finance Administration			-	-
Auditing	35,000	35,000	27,150	7,850
Legal	65,000	72,500	71,147	1,353
Board of Review	1,500	1,500	1,336	164
Assessing	186,600	186,600	185,510	1,090
Building and Grounds	274,000	294,000	232,041	61,959
General Operating	790,500	757,300	642,993	114,307
Senior Citizens	19,000	19,000	14,119	4,881
Industrial Park	16,000	16,000	4,961	11,039
Planning and Zoning	121,400	121,400	96,114	25,286
Total General Government	1,986,064	1,980,364	1,679,129	301,235
Public Safety				
Police Protection	377,000	377,000	366,183	10,817
Public Works	2,505,625	2,505,625	1,326,014	1,179,611
Cultural & Recreation				
Library	42,500	48,200	47,803	397
Recreation	357,500	357,500	359,677	(2,177)
Total Cultural & Recreation	400,000	405,700	407,480	(1,780)
Transfers to Other Funds			-	-
Total Charges to Appropriations	5,268,689	5,268,689	3,778,806	1,489,883
Budgetary Fund Balance - Ending	\$ -	\$ -	\$ 5,682,213	\$ 5,682,213

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget -</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	\$ -	\$ -	\$ 733,747	\$ 733,747
Resources (Inflows)				
Taxes and Penalties	2,350,000	2,350,000	2,358,099	8,099
Federal Grants	-	-	-	-
Interest	18,000	18,000	94,541	76,541
Other Revenue:	25,000	25,000	35,625	10,625
Total Resources (Inflows)	<u>2,393,000</u>	<u>2,393,000</u>	<u>2,488,265</u>	<u>95,265</u>
Amounts Available for Appropriation	<u>2,393,000</u>	<u>2,393,000</u>	<u>3,222,012</u>	<u>829,012</u>
Charges to Appropriations (Outflows)				
Public Safety				
Wages			1,221,531	
Benefits			766,449	
Professional Fees			11,915	
Utilities			34,956	
Repair and Maintenance			41,510	
Supplies			68,304	
Other			39,683	
Capital			-	
Total Charges to Appropriations	<u>2,353,520</u>	<u>2,353,520</u>	<u>2,184,348</u>	<u>169,172</u>
Budgetary Fund Balance - Ending	<u>\$ 39,480</u>	<u>\$ 39,480</u>	<u>\$ 1,037,664</u>	<u>\$ 998,184</u>

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
REVOLVING FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with Final Budget - Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	
Beginning Fund Balance	\$ 286,975	\$ 286,975	\$ 2,900,440	\$ 2,613,465
Resources (Inflows)				
Interest	50,000	50,000	113,953	63,953
Transfers from Other Funds	-	-	-	-
Total Resources (Inflows)	<u>50,000</u>	<u>50,000</u>	<u>113,953</u>	<u>63,953</u>
Amounts Available for Appropriation	<u>336,975</u>	<u>336,975</u>	<u>3,014,393</u>	<u>2,677,418</u>
Charges to Appropriations (Outflows)				
General Government :	-	-	-	-
Transfers to Other Funds	<u>336,975</u>	<u>336,975</u>	<u>-</u>	<u>-</u>
Total Charges to Appropriations	<u>336,975</u>	<u>336,975</u>	<u>-</u>	<u>-</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,014,393</u>	<u>\$ 2,677,418</u>

Additional Information

FRENCHTOWN CHARTER TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<i>Special Revenue</i>				<i>Total Nonmajor Governmental Funds</i>
	<i>Liquor Law Enforcement</i>	<i>Street Lighting</i>	<i>Building Inspection Fund</i>	<i>Budget Stabilization Fund</i>	
Assets					
Cash and Cash Equivalents	\$ 3,270	\$ 33,747	\$ 271,326	\$ 291,641	\$ 599,984
Accounts Receivable	-	26,797	-	-	26,797
Total Assets	<u>\$ 3,270</u>	<u>\$ 60,544</u>	<u>\$ 271,326</u>	<u>\$ 291,641</u>	<u>\$ 626,781</u>
 Liabilities & Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 29,714	\$ -	\$ 29,714
Due to Other Funds		34,000			34,000
Accrued Liabilities	-	-	2,814	-	2,814
Total Liabilities	<u>-</u>	<u>34,000</u>	<u>32,528</u>	<u>-</u>	<u>66,528</u>
 Fund Balances:					
Unreserved/Designated	-	-	-	-	-
Unreserved/Undesignated	3,270	26,544	238,798	291,641	560,253
Total Fund Balance	<u>3,270</u>	<u>26,544</u>	<u>238,798</u>	<u>291,641</u>	<u>560,253</u>
 Total Liabilities & Fund Balance	<u>\$ 3,270</u>	<u>\$ 60,544</u>	<u>\$ 271,326</u>	<u>\$ 291,641</u>	<u>\$ 626,781</u>